

REPORT

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was appointed to examine into the condition of the Banks of the Territory.

was appointed under a resolution of the House of the 16th of November 1837, to enquire into the condition of the different banks having charters of incorporation in this Territory, beg leave to make the following

REPORT:

The committee immediately upon their appointment proceeded to the discharge of the duty assigned to them by the resolution. In consequence of an excitement existing to some extent in the public mind in regard to "the Miner's Bank of Dubuque" created by the propagation of rumors calculated to affect injuriously the interests of the public and of the institution, and in consequence of the absence of the proper officers from whom the committee might expect to receive the necessary information concerning the actual condition of the Bank, they deemed it necessary in accordance with the power vested in them by the resolution to visit said Bank in person. The committee in adopting this course were actuated by the additional motive of affording an opportunity to the citizens of the town where the bank is located, of stating to the committee such facts as might be in their possession concerning the character, management and operation of the institution.

The committee on their arrival addressed interrogatories in writing directed to the President or Cashier of the Miner's Bank of Dubuque, (see document attached to this report marked A.) The President of the bank being absent, the Cashier G. D. Dillon, Esq. returned answers under oath to the questions of the committee, (see document marked B.) From an examination of these it will be seen that \$100,000 of capital stock has been actually paid in, of which \$41,147 was paid in specie and the balance in notes of various banks of New York, Pennsylvania, Illinois, Wisconsin and Michigan—that the actual amount of specie now on hand is \$2,118—that the amount of bills in circulation is \$11,435, of which \$2,000 are payable on demand, and \$9,435 twelve months after date—that the amount of individual deposits is \$3,043—that the amount of debts due the bank from all persons and incorporations is \$57,321—that the amount of bills of other banks in their possession is \$12,177—that the amount of real estate held by the bank is \$950—that no director of the institution is indebted to it in a sum larger than that prescribed by the charter—that the payment of specie for their bills has never been refused when demanded at the counter—that the bank commenced its discounts on the 31st day of October last, and that those discounts have been made partly in bills of other banks and partly those of her own, some of which were payable at sight, and some twelve months after date.

The committee were satisfied with the answers of the Cashier to the questions propounded to him, and did not deem it within the proper scope of their authority to inspect the books of the Bank or to count the money, although every facility for that purpose was offered to them by the Cashier. The committee remained in Dubuque about 28 hours, during which time no person appeared before them to make any complaints or offer any testimony pro or con, concerning the transactions of the institution. From the investigation which the committee have had, and from the facts which have come to their knowledge; they express the unanimous opinion that the Miner's Bank of Dubuque is in a sound and solvent condition; and they express the opinion also (one of their number dissenting) that the requisitions of the charter have been complied with, although notes have been issued payable twelve months after date and 7 per cent charged in advance for loans made in bills of this character, because, however much the majority of the committee may doubt the propriety of such issues, they cannot look upon loans so made as of a usurious character, or infractions of any of the provisions of the charter.

The committee in investigating the matters submitted to them under the resolution so far as relates to the Bank of Mineral Point, addressed interrogatories to Col. William S. Hamilton, one of the Commissioners appointed by the act of incorporation to receive subscriptions to the stock of said Bank, (see document marked C.) to which answers under oath were returned (see document marked D.) They also addressed interrogatories to E. Brigham, Esq. one of the present Directors of the institution (see document marked E.) to which an answer in writing was returned (see document marked F.) It appears from the statement of Col. Hamilton submitted and referred to, that the books for receiving subscriptions to the Bank of Mineral Point were kept open six days according to the charter; that at the end of those six days about twelve hundred shares were subscribed for, leaving a deficiency of eight hundred shares; that some days afterwards subscriptions were offered, and received by the Commissioners, for an amount of stock exceeding said deficiency; and that the Commissioners divided the stock among the several subscribers in equal proportions according to the amount subscribed by each.

It also appears that the first instalment was not all paid in specie at the time of subscribing, but that only two thousand dollars were so paid.

The same statement shows that after the stock was all subscribed, and the first instalment paid, the Commissioners proceeded to give notice according to the form prescribed in the charter, requiring four instalments of ten per cent. each on four several days specified in the notice, and a notice for the election of Directors on the same day that the second instalment was required to be paid. The Commissioners met on the day appointed and declared that the places of John Atchison and Garret V. Denniston, two of the Commissioners named in the act of incorporation, were vacated, inasmuch as neither of those gentlemen had subscribed for stock, and they accordingly elected James D. Doty, and Henry Stringham, to supply the declared vacancies. The board of Commissioners thus constituted then allowed the Stockholders to elect Directors, after which the duties of the Commissioners ceased.

The committee are not enabled to state what amount of capital stock is actually paid in, although the question was directly propounded to one of the Directors.

Upon this statement of facts the committee express the opinion that the commissioners have proceeded contrary to the directions of the charter in three several particulars.

1st. It was contrary to the provisions of the charter for the commissioners to permit, after the expiration of the six days, an amount of stock to be subscribed for more than sufficient to make up the deficiency.

2d. It is an express provision of the charter that one tenth of the amount of each share should be paid to the directors in specie at the time of subscribing, and it was an evident breach of that provision to permit any stock to be subscribed for without exacting the payment in gold and silver of one tenth of the amount of each share at the time of subscribing.

3d. The committee are of opinion that the places of John Atchison and Garret V. Denniston were not vacated in consequence of those gentlemen not having subscribed for stock, and that the substitution, by the commissioners, of James D. Doty and Henry Stringham was illegal and a violation of the charter.

For the purpose of examining into the condition and affairs of the Bank of Wisconsin, the committee addressed a series of questions to Henry Stringham, cashier of that institution (see document marked G) to which answers in writing, under oath, were returned. (See document marked H.) The facts elicited by the answers to these queries, show that the amount of capital actually paid in is \$19,625; that the amount of specie on hand is \$41,376 39-100; that the amount of bills of other banks on hand, is \$15,255; that the amount of debts due from other banks is \$45,908 52 cents; and from individuals \$95,355 70 cents; that the amount of deposits is \$37, 873 31 cents; that the amount of bills in circulation, is \$139,363, and the amount of real estate owned by the bank (including furniture) is \$2,229 88 cents. The answers of Mr. Stringham show, further, that he knows

of no demand having been made upon the Bank of Wisconsin, for specie, which has not been paid. It appears from the 8th section of the act of incorporation of the Bank of Wisconsin "that the total amount of debts which the said corporation shall at any time owe, whether by bond, bill, note, or other contract, over and above the specie then actually deposited in the bank, shall not exceed three times the sum of the capital stock subscribed and actually paid into the said bank." The amount of capital stock actually paid in is \$19,825: three times this amount would be \$58,875, which added to the specie on hand (\$41,376 38 cents) would be \$100,251 38 cents. The amount of bills in circulation is \$139,363, showing an excess of issues over the amount limited by the charter, of \$39,111 62 cents. It also appears, from the same section of the charter, that in case of such excess the directors under whose administration it shall happen, shall be liable for the same in their separate and private capacities, but whether it forms a ground for legislative action, the committee will not undertake to decide.

From the general tenor of the facts elicited by the examination of the Bank of Wisconsin, the committee unite in expressing the opinion that the institution is in a sound and solvent condition.

The Bank of Milwaukee has not yet gone into operation. By reference to documents marked I and J it will be perceived that the books for receiving subscriptions have been opened and that less than one fourth of the whole stock has, as yet, been taken.

The committee respectfully submit the result of their investigation to the House for such action as may be deemed proper and expedient.

W. B. SHELDON, Chairman,
P. H. ENGLE,
CHAS. C. SHOLES, } Committee, H. R.

QUESTIONS TO THE DUBUQUE BANK.

- A.
1. What amount of capital has been actually paid in?
2. What is the amount of your deposits?
3. What are the profits on hand?
4. What is the amount of your bills in circulation?
5. Do your bills in circulation purport to be payable on demand or otherwise?
6. What is the amount of debts due you from all other persons or corporations?
7. What is the amount of specie in bank?
8. What is the amount of all bills of other banks in your possession?
9. What is the kind of funds with which your discounts have been made? Meaning—have your discounts been made in specie, in bills of other banks, or in bills of your own? and if in bills of your own, were they payable at sight, or after date?
10. What is the amount of stock you now hold in other Banks?
11. What is the amount of your real estate?
12. Have you, at any time, refused the payment of specie for your bills when presented and demanded at your counter?
13. If in answer to the fifth query, you state that you have bills in circulation purporting to be payable both on demand and after date, state the amount of each?
14. Have you discounted notes and drafts, and taken out seven per centum per annum in advance, and given your notes payable to the bearer twelve months after date; and, if so, was it always agreed or understood by the person receiving the loan or discount, that he should take your notes so payable?
15. In what kind of funds has your capital stock been paid in?
16. Is any one of the Directors of your institution indebted to it by loans, endorsements, or otherwise, in a sum greater in amount than five thousand dollars?
17. When did you commence discounts?
18. Had you forty thousand dollars, in specie, on hand, as a part of the stock, before any bill or note was issued by you?
19. Was half the amount of your capital stock paid in before any notes or bills were issued by you for circulation.

To the President or Cashier of the "Miner's Bank of Dubuque:"

Sir—We hereby enclose you a certified copy of a resolution passed by the House of Representatives of Wisconsin Territory; and also a copy of interrogatories founded thereon: to which your answers in writing, under oath or affirmation are respectfully requested.

W. B. SHELDON, Chairman.
P. H. ENGLE,
C. C. SHOLES.

B.

Dubuque, Nov. 21, 1837:

To Messrs. Sheldon, Engle and Sholes, a committee appointed by the House of Representatives of Wisconsin Territory, by resolution of the 17th inst., to inquire into the condition of the several banks of the Territory.

In answer to your interrogatories concerning the "Miner's Bank of Dubuque," I have the honor to submit the following: 1. In answer to the first question of the committee, I would state that the amount of capital actually paid in is \$100,000. 2. In answer to the second question, I would state that the amount of deposits on hand is \$3,043. 3. The answer to the third question is, that the limited time afforded by the stay of the committee renders it impossible that the correct amount of the profits on hand can be ascertained. 4. The amount of our bills in circulation is \$11,435. 5. Part of our bills purport to be payable on demand, and part after date. 6. The amount of debts due us from all other persons and corporations is \$57,321. 7. The amount of specie in bank is \$42,118. 8. The amount of all bills of other banks in our possession is \$12,177. 9. The kind of funds in which our discounts have been made, is partly bills of other banks, and partly those of our own—some of those of our own payable at sight, and others twelve months after date. 10. The answer to this question is that we hold no stock in other banks. 11. The amount of our real estate is \$950. 12. The answer to this question is that we have not, at any time, refused the payment of specie for our notes when presented at our counter for payment. 13. In answer to this question, I state that the amount of our bills in circulation purporting to be payable on demand is \$2,000; and those payable after date \$9,435. 14. In answer to this question I state that we have discounted notes and drafts, and taken out seven per centum per annum in advance, and given our notes payable to the bearer twelve months after date; but it was always agreed and understood by the person receiving the loan that he should take our notes so payable. 15. To this question, the following answers are submitted: In specie \$41,147—in Safety Fund notes of New York State, \$19,300—in notes of U. S. Bank, \$17,100—in notes of the State Bank of Illinois, \$9,700—in notes of the Bank of Wisconsin at Green Bay, \$3,000—in notes of various Michigan Banks, \$9,753. 16. No director of our institution is indebted to it by loan, endorsement, or otherwise, in a sum greater in amount than \$4,500. 17. We commenced discounts on the 31st of October, A. D. 1837. 18. Yes. 19. Yes.

G. D. DILLON, Cashier.

G. D. Dillon, Cashier of the Miner's Bank of Dubuque, being sworn in due form of law, deposes and says that that the facts set forth in the foregoing answers are true to the best of his knowledge and belief. Sworn and subscribed before me, this 21st of November, 1837:

WARNER LEWIS, J. P.

QUESTIONS CONCERNING THE BANK OF MINERAL POINT.

C.—To COL. WILLIAM S. HAMILTON:

1. Did you act as a commissioner to receive subscriptions to the capital stock of the "Bank of Mineral Point?" 2. Were the books for subscriptions kept open for six days or longer? 3. Were two thousand shares of stock subscribed for within six days after the opening of the books? 4. Were any subscriptions received after the expiration of the aforesaid six days? 5. After the expiration of the six days, were any subscriptions received other than sufficient to make up the deficiency then existing? 6. Was one-tenth of the amount of each share paid to the directors, or commissioner, in specie, at the time of subscribing? 7. Was sixty days' notice by publication in some newspaper printed in the county of Iowa given, requiring the payment of another instalment; and, if so, was any portion of said instalment paid by any of the stockholders at the time and place so required? 8. Have the duties of the commissioners, named in the act of incorporation, been superseded by the election of President and Directors? 9. Did the commissioners make a deposit in any Bank at the first instalment paid in; and if so, in what Bank? 10. If the first instalment was deposited in any Bank, did the commissioners take a certificate of special deposit of specie?

To COL. WM. S. HAMILTON:

Sir,—Having been appointed a special committee by a resolution of the House of Representatives of Wisconsin Territory to examine into the affairs of the different banks in this Territory, in pursuance of the power vested in us we respectfully address to you the foregoing interrogatories, to which your answers in writing, under oath or affirmation, are requested.

WM. B. SHELDON, Ch'n,
P. H. ENGLE,
CHAS. C. SHOLES.

ANSWER OF COL. HAMILTON.

D. Ques. 1. Did you act as commissioner to receive subscriptions to the capital stock of the Bank of Mineral Point? Ans.—Yes.

Q. 2. Were the books of subscription kept open for six days or longer? A.—Longer. The precise time not recollected. The minutes, kept by the commissioners, and now in the possession of the bank, will shew.

Q. 3. Were two thousand shares of stock subscribed for within six days after the opening of the books? A.—No.

Q. 4. Were any subscriptions received after the expiration of the aforesaid six days? A.—Yes.

Q. 5. After the expiration of six days, were any subscriptions received other than sufficient to make up the deficiency then existing? A.—As near as this deponent recollects there was about twelve hundred shares subscribed for, at the expiration of the six days, at which time the commissioners decided that the books should be kept open for a longer time, and receive such subscription as might be offered. Two or three days after subscriptions were made for an amount considerably exceeding the number of shares required by law; and the books were closed. The commissioners then examined the law, and decided that, in their opinion, the whole amount of subscription should be taken into consideration; that the great excess was made in the last subscription which could not be presented; as any individual had a right to subscribe any amount he pleased; and they therefore divided the stock in equal proportion among the whole number of subscribers.

Q. 6. Was one-tenth of the amount of each share paid the directors, or commissioners, in specie, at the time of subscribing? A.—There was about two thousand dollars paid in specie, when a proposition was made, by a citizen of Iowa county, to subscribe for a certain amount of stock, and pay in the amount so subscribed, in notes of the Bank of Detroit; and that he would make an assignment (in addition to the notes so deposited) of all the stock so subscribed, as security; that within sixty days, or so soon as he could send to Detroit, for the payment of his amount of subscription in specie; and the said commissioners decided that the spirit and intention of the law would be carried out by having the specie at the time that the Bank should go into operation; and therefore that they might take the notes of the said Bank of Detroit aforesaid, having the specie guaranteed and secured to them as above; and they allowed the subscription to be made;—after which a certificate of deposit of the Bank of Wisconsin, for specie, was offered and taken upon the same conditions.

Q. 7. Was sixty days' notice by publication in some newspaper printed in the county of Iowa, requiring the payment of another instalment; and if so, was any portion of said instalment paid by any of the stockholders at the time and place required? A.—There was a notice published at Mineral Point, calling for four instalments of ten per cent, each on four several days; and a notice for the election of directors appointed on the same day that the second instalment was to have been paid. The commissioners met on the day appointed; and, acting as directors, decided that John Atchison and Garret V. Dennison were no longer commissioners or directors, as they had not subscribed for stock; whereupon they proceeded to choose by ballot two others, James D. Doty and Henry Stringham. The Board then allowed the stockholders to proceed to elect directors, upon which election the duties of the commissioners ceased. Up to this time which was about four o'clock, P. M. of the day for the receipt of the second instalment, no part of the same had been paid.

Q. 8. Did the commissioners make a deposit in any Bank of the first instalment paid in; and if so, in what Bank? A.—No. In lieu of the funds by them received, they authorized Mr. James Morrison to take a certificate of deposit of the Bank of Wisconsin, drawn in favor of James D. Doty, for specie, and assigned by said Doty with security, that the funds should be brought to Mineral Point, at the time of the second instalment should be made payable; which funds were never placed in the hands of the commissioners, although they might have been in the hands of Mr. Morrison.

Q. 10. If the first instalment was deposited in any Bank, did the commissioners take a certificate of special deposit. A.—The answer to question 9 is the reply to this question.

WILLIAM S. HAMILTON.

Joe Davies county, } Personally before me appeared William S. Hamilton, who did depose and say, that
State of Illinois } he did subscribe the foregoing, and that the answers contain the truth to the best of his
knowledge and recollection.

SAMUEL SMOKER, J. P.

E.

1. Are you a director of the Mineral Point Bank, and if so when were you elected? 2. What amount of capital stock is now paid in? 3. After the stock was all subscribed and the first instalment paid, was public notice given by the acting directors, according to the charter, requiring the payment of other instalments, and if so, were they paid in according to the requisition so made. 4. In whose possession is the money now paid in, and is it in specie.

To E. BRIGHAM, Esq.

Sir,—In the performance of duties assigned to us by a resolution of the House of Representatives, of Wisconsin Territory, of the 16th inst., we send you the within interrogatories concerning the Bank of Mineral Point, to which your answer in writing, under oath or affirmation is respectfully solicited. Yours, &c.

WM. B. SHELDON, Chairman.
P. H. ENGLE.
CHAS. C. SHOLES.

F.
To the Hon. the committee of the House of Representatives, appointed to investigate the condition and doings of the banks.

Burlington, Nov. 23, 1837.

Gentlemen—I have received your note of this day, and in reply to your first enquiry, I have the honor to state that I was, on the first Monday in July last, elected a director in the Bank of Mineral Point and qualified as such. In reply to the second, third, and fourth interrogations I beg leave to refer the Hon. committee to the President and Cashier of said bank. Respectfully, your ob't serv't,

E. BRIGHAM

QUESTIONS CONCERNING THE BANK OF WISCONSIN.

1. What amount of capital has been actually paid in? 2. What is the amount of your deposits? 3. What are the profits on hand? 4. What is the amount of your bills in circulation? 5. Do your bills in circulation purport to be payable on demand or otherwise? 6. What is the amount of debts due you from all other persons or corporations? 7. What is the amount of specie in bank? 8. What is the amount of all bills of other banks in your possession? 9. What is the kind of funds with which your discounts have been made? meaning, have your discounts been made in specie, in bills of other banks, or in bills of your own? and if in bills of your own, were they payable at sight or after date? 10. What is the amount of stock you now hold in other banks? 11. What is the amount of your real estate? 12. Have you, at any time, refused the payment of specie for your bills when presented and demanded at your counter? 13. Is any part of the specie, returned by you in bank, (in answer to the 7th query,) special deposits, and if so, how much?

To the President or Cashier of the Bank of Wisconsin.

Sir—We hereby enclose you a certified copy of a resolution passed by the House of Representatives of Wisconsin Territory, and also a copy of interrogatories, founded thereon; to which your answers, in writing, under oath or affirmation, are respectfully requested.

W. B. SHELDON, Chairman.

P. H. ENGLE.

CHAS. C. SHOLES.

H.

To the Hon. W. B. SHELDON, Chairman of the committee to investigate the different Banks in the Territory.

Sir—Your communication was received this evening. My answers to your questions will be considered by you as bearing date the 19th day of October last, which is the day that I left the village of Green Bay. I am not aware of any material change being likely to occur since that time.

1.—Capital actually paid in, \$19,625. 2.—Amount of deposits, \$37,873 31.—Certificates of deposits, \$2,312 77. 3.—Profits on hand, \$788 16. 4.—Amount of bills in circulation, \$139,363. 5.—All the notes of this bank in circulation now, or which they have ever issued, are payable on demand. 6.—Amount of debts due this bank, which are payable at sight, by other banks, \$45,908 52; amount of debts due this bank from individuals, \$95,355 70. 7.—Amount of specie in bank, \$41,376 38. 8.—Amount of other bank notes on hand, \$15,255. 9.—Discounts have only been made with notes payable on demand. In cases where persons have wanted the money to send to remote points, where the notes of the Wisconsin Bank would not be current, the notes of the banks most convenient for the uses of the individual, have been given. Generally, discounts are made with Wisconsin paper. 10.—The bank owns no stock in other banks. 11.—Real estate and bank furniture, \$2,229 88. 12.—I know of no demand being made upon this bank for specie that has not been paid. The calls upon the bank for specie have been small—only for the purpose of making change; and the receipts of the bank in specie have increased since the general suspension of specie payments by the other banks. 13.—The specie reported in answer to the 7th question, is all the property of the Bank of Wisconsin.

HENRY STRINGHAM, Cashier.

Territory of Wisconsin, county of Des Moines, ss.

On the 20th day of November, 1837, personally appeared before me Henry Stringham, whose signature is hereunto affixed, who made oath that the above statement is true, to his certain knowledge and belief.

Given under my hand the day above written.

DAVID IRVIN,

Ass. Judge Sup. Court, Wisconsin Territory.

I

QUESTIONS CONCERNING THE BANK OF MILWAUKEE.

1. Are you a Commissioner to receive subscriptions to the Bank of Milwaukee?
2. Have books been opened according to the forms prescribed in the charter to receive subscriptions for said Bank?
3. What amount of stock has been subscribed for and what amount of money paid in?

Burlington, Nov. 23, 1837.

To Alanson Sweet, Esq.

Sir—In the performance of duties assigned to us by a resolution of the House of Representatives of Wisconsin Territory of the 16th instant, we send you the foregoing interrogatories, to which your answer in writing under oath or affirmation is respectively solicited.

Yours, &c.

WM. B. SHELDON, Chairman.

P. H. ENGLE,

CHAS. C. SHOLES, Com. H. R.

Burlington, W. T. 24th November, 1837.

Messrs. William B. Sheldon, P. H. Engle, Charles C. Sholes,

GENTLEMEN—In answer to your request, not being furnished with date, I am unable to define; but in answer to interrogatory No. 1, I have to say, I am a Commissioner for the Bank of Milwaukee; second, the books were opened for the subscription of the stock agreeable to the charter; third, the amount of stock subscribed I am unable to state; it is however something less than one fourth, on which the amount provided by the charter has been actually paid in.

I am, most respectfully, yours,

ALANSON SWEET.